



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

**HOUSE BILL 414 – ECONOMIC DEVELOPMENT –
PROJECT RESTORE PROGRAM AND FUND
Sponsor – The Speaker (By Request – Administration, et al)**

February 23, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

House Bill 414 establishes the Project Restore Program within the Department of Housing and Community Development to provide financial incentives in the form of rental grants and business operations grants for small businesses and commercial developers to revitalize vacant retail and commercial space. In order to be eligible for a grant, a business must open in or expand to a space that has been vacant for at least 6 months. In addition, the business must have 50 or fewer employees.

Rental grants of up to \$2500 a month for up to 12 months can be used to pay rent, a mortgage, or property taxes. Qualified businesses are also eligible for business operation grants for the amount of sales and use tax collected by the business and paid to the state. The operations grant can be used for staff costs, capital improvements, and other regular business expenses. The grant cannot be used for executive pay or bonuses. The operations grant may not exceed \$250,000 a year. A business located in a Tier 1 area or a Main Street Maryland Community is eligible to receive the grant for two years; all other qualified businesses are eligible for one year.

The GBC supports House Bill 414 because it addresses two issues facing our communities: vacant buildings causing blight and increasing public safety issues, and assisting small businesses as they try to open or grow in these difficult economic times. The grants provided under House Bill 414 will encourage business owners to locate in areas that may need some assistance in filling retail and business locations.

This bill is consistent with a key tenet in *Gaining a Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth.

Strategic and effective state investments in business growth. *The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.*

House Bill 414 creates a valuable tool that enables small business owners to partner with the state to rebuild and strengthen their communities. As such, the GBC respectfully requests that the Ways and Means Committee give House Bill 414 a favorable report.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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